

11 December 1978

NOTE FOR:

[Redacted]

SUBJECT: DCI's Annual Report

Here is a cut of a DCI Annual Report section summarizing calendar 1978 budget experience. Please give me your reactions by COB Wednesday [Redacted] so I can incorporate them into a revised full draft for RMS circulation by 15 December.

Thanks

[Redacted]

PGO

ACTION

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Resources: Experience With DCI'S Budget Authority

This year we have completed the transition to NFIP budget development under E.O. 12036 provisions giving me full and exclusive authority for approval of the NFIP prior to its presentation to the

President, and for reprogramming of funds; responsibility for presentation of the budget to the Congress; and authority for monitoring program implementation. I have been gratified to sense the cooperative professional Intelligence Community spirit which has generally marked the almost daily contact between my staff and program managers and their staffs in building our common intelligence program and budget. I personally very much appreciate the constructive counsel and frank sharing of concerns that program managers have given me individually and in the NFIB, and they and their departmental principals in the PRC(I). In particular, my regular conversations with Secretary of Defense Brown are very useful on program and budget issues concerning the large percentage of NFIP manpower and dollars under his day-to-day operational purview, as on other national security matters of mutual concern to us both. (U)

It is both inevitable and healthy that different perspectives and priorities exist among program managers on many individual issues. And procedural rough spots remain, of course. I am well aware that the combined transition to new NFIP management procedures and Zero Base Budgeting has burdened many program managers with a heavier workload than formerly to develop the detailed presentations both new sets of procedures have required. We will continue to work to refine and streamline this large effort, but I am convinced the interim results are impressive. The proposed FY 1980 NFIP I submitted to the President as a result of all this Intelligence Community effort is, I believe, an unprecedentedly well vetted, integrated and balanced US national intelligence effort responsive

to both national security needs and current federal fiscal stringencies. (U)

My first step toward developing an even sounder FY 1981 program and budget has been to issue early guidance, this month, that tries both to spell out a general philosophical rationale for development of the NFIP and its component programs, and to give quite specific guidance to individual program managers on what I see as priority issues, directions and emphases within their programs. I also want this year to explore approaches to further definition of my role in monitoring program and budget implementation. (U)

28 November 1978

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NOTE TO:

[REDACTED]

CTS

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FROM:

[REDACTED]

PGO/RMS

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Here is a cut at a Collection Tasking section (Outline Part I, Topic A.4) of the DCI's Annual Report. Please vet this in CT for accuracy and balance, and any other comments you may have, and give me a call [REDACTED]

[REDACTED] Many of your concerns will be drafted in connection with Part II issues; I will be circulating a full draft next month to NFIB principals for comment.

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Many thanks for your help.

[REDACTED]

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